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Message Text

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73
ACTION ARA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03

INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 ABF-01 DODE-00 PA-01

PRS-01 /056 W
---------- 004575
P 092111Z APR 76
FM AMEMBASSY SANTIAGO
TO SECSTATE WASHDC PRIORITY 8354

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E. O. 11652: N/A
TAGS: AFSP, ALOW, AFIN, ECON, CI
SUBJECT: INFLATION FOR MARCH

1. THE OFFICIAL CONSUMER PRICE INDEX RELEASED APRIL 9 SHOWED THAT THE GENERAL PRICE LEVEL ROSE BY 13.5 PERCENTAGE POINTS DURING MARCH. THIS WAS THE LARGEST MONTHLY INCREASE SINCE JUNE 1975. DIRECTOR OF NATIONAL INSTITUTE OF STATISTICS, SERGIO CHAPARRO, POINTED OUT THAT SEASONAL FACTORS ACCOUNTED FOR MUCH OF MARCH'S INFLATION. OTHER CONTRIBUTING FACTORS, ACCORDING TO CHAPARRO, WERE THE QUARTERLY SURVEYS OF HOUSE RENTS, AND OF MEDICAL AND DENTAL RATES WHICH WERE LAST CONDUCTED IN DECEMBER.

2. PRICE INCREASES BY SECTORS WERE: FOOD, 11 PERCENT; HOUSING, 14.8 PERCENT; CLOTHING, 23.1 PERCENT; MISCELLANEOUS, 13.3 PERCENT. BY ITEM THE LARGEST INCREASES WERE RECOREDED IN FRUITS, GEGATABLES, PASTA, HOUSE RENTS, WINTER CLOTHING, MEDICAL AND DENTAL SERVICES, AND EDUCATIONAL COSTS.

3. THE MARCH MONTHLY RATE OF INFLATION IS EQUIVALENT TO A YEARLY RATE OF 357 PERCENT, AND THE FIRST QUARTER'S TO AN ANNUAL RATE OF 263 PERCENT. THE MOVING 12 MONTH AVERAGE THROUGH MARCH, HOWEVER, WAS 278.2 PERCENT, THE LOWEST FOR ANY MONTH SINCE 1973.
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4 COMMENT: ALTHOUGH THE CHILEAN PUBLIC HAD BEEN PREPARED BY GOVERNMENT AND PRESS FOR BAD NEWS ON INFLATION, THE SIZE OF THE INCREASE WAS MUCH LARGER THAN HAD BEEN GENERALLY ANTICIPATED. WE ARE TOLD THAT A TWELVE PERCENT ESTIMATE HAD BEEN GIVEN TO PRESIDENT PINOCHET ONLY SHORTLY BEFORE. RELEASE OF THE INFLATION DATA CAME THREE OR FOUR DAYS LATER THAN USUAL, A PERIOD DURING WHICH MUCH PUBLICITY WAS GIVEN TO GOVERNMENTAL EFFORTS TO INSURE THE CONSUMER FAIRER TREATMENT IN THE MARKET PLACE.
BOYATT

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